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United Nations reform: measures and proposals**Review of the efficiency of the administrative and financial functioning of the United Nations****Programme budget for the biennium 2018–2019****Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations****Global service delivery model for the United Nations Secretariat****Fifty-first report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2018–2019****I. Introduction**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the proposal of the Secretary-General on the global service delivery model for the United Nations Secretariat. During its consideration of the proposal, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses dated 1 June 2018.

2. With respect to the status of documentation, the Advisory Committee notes that the Secretary-General first submitted his report dated 21 March 2018 on a global service delivery model for the United Nations Secretariat (A/72/801), in which he proposed four unnamed shared service centres. The Secretary-General then submitted an addendum dated 6 April 2018 (A/72/801/Add.1), in which he provided the proposed locations of the four previously unnamed shared service centres (Budapest, Nairobi, Kuala Lumpur and Mexico City).¹ Subsequently, the Secretary-General revised his proposal to reflect three shared service centres (to be located in Budapest, Nairobi and Mexico City) by submitting document A/72/801/Add.1/Rev.1, dated 1 May 2018, an advance version of which indicated that the revision was being made

¹ The proposal also included local client support desks in Addis Ababa, Bangkok, Beirut, Geneva, New York, Santiago and Vienna, as well as a Rapid Deployment Unit in New York.



to the addendum (A/72/801/Add.1). This was amended in the final version of the document to indicate that the revision was being made to the main report (A/72/801). **The Committee is of the view that the piecemeal submission of revised documents and the subsequent amendments have resulted in a lack of clarity as to the official documentation that is before the General Assembly. The Committee considers that, for clarity and ease of reference, the Secretariat should have submitted one consolidated revised or reissued document for the consideration of the Assembly.**

II. Proposal of the Secretary-General

3. The proposal of the Secretary-General is submitted pursuant to General Assembly resolution 71/272 A, in which the Assembly requested the Secretary-General to submit for its consideration a report on the global service delivery model containing a comprehensive and fully developed proposal that continued to take into account the views of all stakeholders, with a clear benefit realization plan. The Advisory Committee recalls that the Assembly reiterated the importance of taking into account lessons learned and best practices of all ongoing business transformation initiatives, and that the proposal should take into account the use of all existing United Nations infrastructure, including those away from Headquarters.

4. The Advisory Committee recalls that, in its resolution 70/248 A, the General Assembly emphasized that a detailed proposal should consist of a business case, including the establishment of an end-state vision, clear goals and objectives, as well as a detailed cost-benefit analysis containing information on qualitative and quantitative benefits. It also requested the Secretary-General to include staff costs as one of the criteria in his evaluation of possible locations for administrative services. In addition, the Assembly noted with appreciation the initiative of the Secretary-General to establish a global service delivery model of the United Nations Secretariat. **The Committee reaffirms the continued importance of a global service delivery model for the United Nations Secretariat.**

5. The Secretary-General indicates that the global service delivery model consolidates location-independent hub functions into Global Shared Service Centres, consisting of transactional administrative processes such as human resources administration, accounts payable and payroll. In the proposal, it is stated that the criteria used in the assessment of potential locations for the centres was approved by the global service delivery model steering committee² and included: security and stability; family duty station; health care, education and access; infrastructure; availability of a qualified local workforce; strong host Government relations; and staff and operational costs. Additional criteria included: (a) time zone coverage across the worldwide operations of the Secretariat using a "follow-the-sun" support model which allows transactions to be processed and passed between shared service centres in different time zones; (b) business continuity in the event of a service disruption at one of the centres; (c) specific requirements of different parts of the Secretariat, including language requirements; and (d) possible future consolidation of shared service delivery across the United Nations system (*ibid.*, paras. 6, 25, 26 and 28–30).

6. It is indicated that 45 existing locations of the United Nations that deliver administrative support services were included in the location assessment, of which 28 met the minimum requirements and were evaluated against the scoring criteria. In the proposal, it is stated that the scoring criteria comprised: (a) cost, including staff,

² The Advisory Committee was informed upon enquiry that the members of the steering committee included Under-Secretaries-General and Assistant Secretaries-General of relevant Headquarters departments, offices away from Headquarters, regional commissions and other key stakeholders.

operational and one-time set-up costs (40 per cent); (b) qualified local workforce, including availability, quality and language skills (40 per cent); and (c) location suitability, including quality of life, country risks and infrastructure (20 per cent) (*ibid.*, paras. 30 and 31, and figure VI).

7. The result of the location assessment indicated that Budapest, Nairobi, Kuala Lumpur and Mexico City were the highest scoring in their respective regions (i.e., Europe, Africa, Asia and the Americas) and it was proposed that four shared service centres be established in those locations. Subsequently, the Advisory Committee was informed that the Government of Malaysia had informed the Secretariat that it was not in a position to support the hosting of a shared service centre, and the Secretary-General had decided to revise his proposal to reflect the establishment of three centres, in Nairobi, Budapest and Mexico City. In the proposal, it is stated that this combination of locations would provide for time zone and regional coverage, and business continuity to address the urgent needs of clients outside of office hours and to handle emergency response at required times. It is also proposed that a small client service desk be established in Bangkok, co-located with the Economic and Social Commission for Asia and the Pacific, to ensure time zone coverage for clients in East Asia and Oceania. In addition, it is proposed that a small satellite team (Rapid Deployment Unit) be based in New York to carry out rapid response actions, particularly transactions for conferences and delegates. It is also proposed that local client support desks be established in Addis Ababa, Beirut, Geneva, New York, Santiago and Vienna (see A/72/801/Add.1, para. 6; and A/72/801/Add.1/Rev.1, paras. 12, 32 and 33, and proposed organization chart).

8. In the proposal, it is asserted that this combination of locations would also provide for adequate resourcing to share the heavy workload in the central time zone, which includes Africa and Europe (see A/72/801/Add.1/Rev.1, para. 12). Upon enquiry, the Advisory Committee was informed that approximately 66 per cent of United Nations personnel were located in Europe and Africa, comprising 50 per cent in Africa and 16 per cent in Europe. The Committee was also informed that, while the Global Shared Service Centres would provide location-independent functions, establishing a centre in a region with a significant concentration of clients would facilitate client interaction, with the proposed centres primarily supporting clients in their region.

9. Regarding the scope of the services to be offered by the Global Shared Service Centres, the Secretary-General indicates that, of the 201 location-independent transactional administrative processes, 60 processes are expected to be offered in shared service centres in 2019, comprising 35 human resources administration processes, 21 finance processes and 4 corporate service processes. A total of 46 additional processes were identified as having the potential for reassessment and implementation in a subsequent expansion starting from 2020, while the remaining 95 processes were not envisaged to be offered at this time (see A/72/801, para. 27). Upon enquiry, the Advisory Committee was informed that, of the 60 processes to be offered at the Global Shared Service Centres, 8 could be time-sensitive (comprising 4 human resources, 2 payroll and 2 accounts payable processes), while the others were not strictly time-limited.

10. The Advisory Committee notes that the rationale provided for the proposed combination of three locations include time zone and regional coverage using a "follow-the-sun" support model and reflecting business continuity considerations, in order to address the urgent needs of clients. In this context, the Committee notes that, of the 60 processes to be offered by the Global Shared Service Centres, only 8 could be time-sensitive. Considering that most of the processes to be handled by the three centres would not require an urgent response, the Committee is not fully convinced that the "follow-the-sun" model for time zone

coverage is essential. Taking into account the workload and the nature of the processes to be covered by the Global Shared Service Centres, the Committee considers that two Global Shared Service Centres would be able to perform the required functions, ensure business continuity and meet the needs of clients. The Committee recalls in this context that the Secretary-General previously proposed a global service delivery model with an end-state of two locations (see A/71/417).

11. The Advisory Committee therefore recommends that the General Assembly request the Secretary-General to submit, during the main part of the seventy-third session, a new proposal for the establishment of two Global Shared Service Centres. In his new proposal, the Secretary-General may include, but need not be limited to, the current proposed locations. Should the workload data or other relevant factors indicate that more time zone coverage is required, the Secretary-General may propose smaller capacities, such as support desks, in other locations. The Committee trusts that the new proposal will take into account the Assembly's decisions on the global service delivery model. The Assembly may wish to consider providing the Secretary-General with additional guidance in this regard, including on any relevant criteria to be applied.

12. Considering the significant amount of workload in the African region, and that approximately 50 per cent of United Nations personnel are located in Africa, the Advisory Committee also recommends that the new proposal include at least one centre to be located in Africa.

Language skills

13. Upon enquiry as to the language skills of the local workforce in the proposed locations, in particular French, the Advisory Committee was informed that language skills accounted for 8 per cent of the total score under the scoring criteria mentioned in paragraph 6 above. The Committee was also informed that the expected workload in French was significant, as there were approximately 6,000 locally recruited staff in duty stations with French as the official language, mainly in Africa and Europe. **The Committee is of the view that the new proposal should ensure adequate coverage of French-speaking staff, taking into account the significant number of staff in field missions and other presences in French-speaking countries, and noting that French is one of the two working languages of the United Nations Secretariat.**

Project costs

14. With respect to the related costs, the Advisory Committee notes that the revised budget of the Global Shared Service Centres is proposed in the amount of \$52,109,800 for the biennium 2018–2019, as compared with the original proposed resources of \$48,034,700 (see A/72/801/Add.1/Rev.1, para. 120 (c); and A/72/801, para. 120 (c)). In the revised proposal, it is stated that once the project is fully delivered, there is estimated to be an \$11.3 million cost reduction per year over the baseline cost, as compared with a \$16.7 million cost reduction in the original proposal (see A/72/801/Add.1/Rev.1, para. 15; and A/72/801, para. 15). Furthermore, in the revised proposal it is indicated that the transition cost would be \$55.9 million, as compared with \$53.045 million in the original proposal (see A/72/801/Add.1/Rev.1, para. 21; and A/72/801, para. 21). In the revised proposal, it is also stated that the project is expected to break even at the start of year five and cumulatively save the Organization \$10.3 million in five years; in the original proposal, the project was expected to break even within three and a half years and cumulatively save the Organization \$39 million in five years (see A/72/801/Add.1/Rev.1, para. 22; and A/72/801, para. 22). **The Committee notes that the revised proposal reflects higher costs with lower savings and a longer break-even period. The Committee**

reiterates that the proposals for a global service delivery model should focus both on achieving improvements in the delivery of administrative services and on reducing the related costs (see A/70/436, para. 18). The Committee emphasizes that the global service delivery model should result in increased efficiencies and cost savings from greater consolidation of services, and expects the new proposal to clearly reflect increased efficiencies and cost savings.

15. In respect of the biennium 2018–2019, section V of A/72/801/Add.1/Rev.1 contains a summary of the budget implications of the proposal, including recurrent and non-recurrent resource requirements for the Office of the Director and the three proposed shared service centres. **In view of its recommendations in paragraphs 10, 11 and 12 above, the Advisory Committee makes no specific recommendations on the proposed resources at this stage. The Committee trusts that the Secretary-General will review the proposed workload to be undertaken by the Global Shared Service Centres, as well as the recurrent and non-recurrent resource requirements, and that the proposed budget in the new proposal will reflect comprehensive justifications based on workload and will include qualitative and quantitative efficiencies.**

Scope of services

16. **With respect to the proposed 60 processes to be delivered by the Global Shared Service Centres, the Advisory Committee recommends that the Secretary-General review the remaining number of processes to be delivered, with a view to including more processes at an earlier phase in order to increase efficiencies and maximize the use of the global service delivery model.**

Local client support desks

17. The Secretary-General's current proposal also includes local client support desks in Addis Ababa, Beirut, Geneva, New York, Santiago and Vienna (see A/72/801/Add.1/Rev.1, proposed organization chart). Upon enquiry, the Advisory Committee was informed that the local client support desks were a transitional measure that would allow for a more structured move to remote service provision over time. The Committee was also informed that these desks would provide direct support to staff as well as help staff seek support from the remote service support providers. **The Committee is of the view that the Secretary-General should review the requirement and functions of local client support desks as a transitional measure in the context of the new proposal.**

Proposed posts and positions

18. In the proposal, it is indicated that 684 posts will be funded as posts, with additional positions required in years one and two to be funded using general temporary assistance, as well as additional staff for implementation and capacity-building activities to be funded under general temporary assistance. A total of 684 related posts and general temporary assistance positions have been proposed for abolishment in 2019 (see A/72/801, para. 14; and A/72/801/Add.1/Rev.1, para. 116). **The Advisory Committee notes that the proposed staffing of 684 posts has remained unchanged from the original four-centre proposal to the revised three-centre proposal. The Committee considers that the proposed staffing required should have been more closely reviewed in the context of the revised proposal to achieve more efficiencies from further consolidation. The Committee expects that the new proposal will contain detailed justifications for the proposed staffing of the centres.**

19. The Secretary-General proposes a single management structure for shared services, to be led by the Director, Global Shared Services (D-2), for strategic direction and oversight of shared service operations. The shared service centres would be headed by chiefs (at the D-1 level) who would report to the Director (D-2) (see A/72/801, paras. 38 and 43). The Advisory Committee notes that the proposed requirements for executive direction and management amount to \$33,505,200 out of the total of \$52,109,800 for the biennium 2018–2019. **The Committee is not convinced that the global service delivery model requires a separate management structure overseeing the management of the individual centres. Furthermore, the Committee is of the view that further justifications are required for the proposed levels of posts and resources. The Committee trusts that the management and staffing levels will be reviewed in the context of the new proposal with a resulting leaner structure more clearly aligned with workload and operational requirements.**

Other matters

20. Upon enquiry, the Advisory Committee was informed that the global service delivery model project and the proposed Global Shared Service Centres would be subject to audits by the Board of Auditors and the Office of Internal Oversight Services as required. The Committee was also informed that the project owner was the Under-Secretary-General for Management, in close collaboration with the Under-Secretary-General for Field Support. **The Committee recommends that the General Assembly request the Secretary-General to include in his new proposal detailed information on key elements of the project, in line with the practice for previous organizational initiatives, such as annual auditing and reporting; designation of the project owner; governance arrangements; detailed post descriptions based on workload; timelines for the establishment and abolishment of posts; the implementation plan; mitigation measures; change management; and risk management, as well as the application of other organizational initiatives such as the information and communications technology strategy and the enterprise resource planning system (Umoja). The Committee also expects that the new proposal will include detailed information regarding the impact of the new proposal on the United Nations Secretariat structures which currently provide support functions. The Committee also trusts that staff will be kept duly informed of the developments with respect to the project.**

21. The Advisory Committee was informed upon enquiry about the engagement with Member States and potential host countries undertaken by the Secretariat in relation to the global service delivery model project. **The Committee stresses the importance of continued close consultations and engagements with Member States, including potential host countries, in the ongoing development of the project, and current host countries of United Nations entities which may be impacted by the global service delivery model.**

22. The Advisory Committee notes that the report of the Secretary-General entitled "Shifting the management paradigm in the United Nations: implementing a new management architecture for improved effectiveness and strengthened accountability" (A/72/492/Add.2), and the related report of the Committee (A/72/7/Add.49), are presently before the General Assembly for its consideration. **As the decision of the General Assembly on this issue may have an impact on the proposals of the Secretary-General on the global service delivery model, the Committee trusts that the new proposal will take into account the decisions of the Assembly on management reform.**

III. Conclusion

23. The actions requested by the Secretary-General to be taken by the General Assembly are indicated in section VI of document A/72/801/Add.1/Rev.1. **The Advisory Committee recommends that the General Assembly request the Secretary-General to submit, during the main part of the seventy-third session, a new proposal for the global service delivery model, taking into account its observations and recommendations above.**



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Programme budget for the biennium 2018–2019

Status of implementation of the information and communications technology strategy for the United Nations

Fifty-second report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2018–2019

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the status of implementation of the information and communications technology (ICT) strategy for the United Nations (A/72/755/Rev.1). The Committee also had before it the first annual progress report of the Board of Auditors on the implementation of the information and communications technology strategy (A/72/151). During its consideration of the above-mentioned reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 26 April 2018. The Committee also had an exchange with the Audit Operations Committee.

2. The first annual progress report of the Board of Auditors on the implementation of the ICT strategy was issued prior to the main part of the seventy-second session of the General Assembly. The Committee was informed that, pending consideration of the initial reports of the Secretary-General on management reform, entitled “Shifting the management paradigm in the United Nations: ensuring a better future for all” and “Shifting the management paradigm in the United Nations: improving and streamlining the programme planning and budgeting process” (A/72/492 and A/72/492/Add.1), the Secretary-General had decided to defer submission of his own progress report, which was initially also due to be issued for consideration by the Assembly during the main part of its seventy-second session.

II. Management reform

3. The most recent report of the Secretary-General on management reform, entitled “Shifting the management paradigm in the United Nations: implementing a new



management architecture for improved effectiveness and strengthened accountability" (A/72/492/Add.2), includes proposals for the establishment of a single Office of Information and Communications Technology through the consolidation of the Information and Communications Technology Division of the Department of Field Support and the existing Office of Information and Communications Technology in the Department of Management. The new Office is proposed to be established as a separate entity which would report to both the Under-Secretary-General for Management Strategy, Policy and Compliance and the Under-Secretary-General for Operational Support. In that report, the Secretary-General also proposes to redeploy the ICT functions in support of operations in New York from the Office of Information and Communications Technology to the proposed Division of Administration of the Department of Operational Support.

4. In its related report on the Secretary-General's management reform proposals (A/72/7/Add.49), the Advisory Committee welcomed the proposed consolidation of the current Office of Information and Communications Technology and the current Information and Communications Technology Division of the Department of Field Support, which, in its view, was fully aligned with the ICT strategy. The Committee recommends that the ICT support operations at Headquarters be maintained within the proposed reorganized Office, and that the dual reporting arrangements, which may present some management challenges, be kept under review. The above reports are currently before the General Assembly. **The Advisory Committee notes that, subject to any decision that the General Assembly may take on the proposed reorganization of the Office of Information and Communications Technology, the ICT strategy may need to be updated accordingly.**

III. First annual progress report of the Board of Auditors on the implementation of the information and communications technology strategy

5. The first annual progress report of the Board of Auditors on the implementation of the ICT strategy was submitted pursuant to General Assembly resolution 70/238 B, in which the Assembly endorsed the recommendation of the Advisory Committee that the Board of Auditors submit an annual progress report during the five-year implementation period of the ICT strategy.

6. The report of the Board contains its findings and recommendations on a wide range of subjects, including governance and leadership, implementation of strategic projects, information security, ICT assets, application and website management, enterprise help desk, defragmentation of ICT resources and global sourcing. The Advisory Committee discusses the findings and recommendations of the Board in the relevant paragraphs of section IV below. In considering the progress report of the Secretary-General, the Committee bore in mind the time elapsed between the issuance of the two reports.

7. **The Advisory Committee welcomes the first annual progress report of the Board of Auditors on the implementation of the ICT strategy. In the Committee's view, the report provides an independent assessment of the implementation of the strategy, with valuable insights into the areas in which progress is being made and those in which further change and improvement are needed.**

8. The Board indicates that, of the 23 recommendations made in its previous reports (A/67/651 and A/70/581), 2 (9 per cent) have been fully implemented and 21 (91 per cent) are under implementation. In his report, the Secretary-General indicates that the Board has issued a total of 37 recommendations since its first audit in 2012

(see A/67/651), 36 of which have been accepted and 1 partially accepted by the Secretariat. The report further indicates that, of the 37 recommendations, 2 have been assessed by the Board to be fully implemented and that the Secretariat will present evidence to the Board to support the closure of another 20. The remaining 15 recommendations are linked to the ongoing implementation of the ICT strategy and are under implementation. **The Advisory Committee notes with regret the low rate of implementation of the recommendations of the Board of Auditors. It trusts that the outstanding recommendations of the Board will be implemented expeditiously.**

IV. Report of the Secretary-General on the status of implementation of the information and communications technology strategy for the United Nations

9. In his third progress report, the Secretary-General states that progress has been made in the first two and a half years of the implementation of the ICT strategy. The report provides a comprehensive update of the status of all key initiatives, as well as an overview of the management of ICT globally. A summary of implementation during the third year of the ICT strategy is provided in paragraph 8 of that report, including on issues related to governance, progress in the implementation of the strategic ICT projects, consolidation of ICT resources, information security, application management, global sourcing, asset management, ICT workforce and Umoja mainstreaming.

A. Governance, accountability and leadership

10. In its previous report on the status of implementation of the ICT strategy (see A/71/785, paras. 6–10), the Advisory Committee expressed its expectation that all Secretariat entities would implement the ICT strategy as endorsed by the General Assembly in section II of its resolution 69/262, as well as all the provisions of the Secretary-General's bulletin on the organization of the Office of Information and Communications Technology, including the requirement for the Office to review all ICT budgets and initiatives, regardless of funding source, prior to their submission to the Office of Programme Planning, Budget and Accounts (see ST/SGB/2016/11, para. 2.2 (g)). In its resolution 71/272 B, the Assembly endorsed the recommendation of the Committee that the Secretary-General provide, in his next progress report, a detailed update on progress achieved in ensuring the effective cooperation of all Secretariat entities in implementing the ICT strategy, as well as on compliance with the provisions of the Secretary-General's bulletin.

11. Governance, accountability and leadership issues are discussed in paragraphs 8 to 12 of the report of the Board of Auditors. The Board noted that the above-mentioned Secretary-General's bulletin, which establishes structures and defines functions, roles, responsibilities and other elements that are crucial for implementing the ICT strategy,¹ was issued only in September 2016, almost two years after the promulgation of the revised strategy. The Board further noted that: (a) policies for delegation of authority and designation of staff members performing significant ICT functions had not been issued; (b) performance measures in the senior managers' compacts relating to the implementation of the ICT strategy were not specific enough

¹ Including for instance, establishment of the organizational structure and scope of activities of the Office of Information and Communications Technology, and the role and responsibilities of the Chief Information Technology Officer, the Regional Technology Centres, the Enterprise Application Centres and ICT units in the Secretariat.

to facilitate the objective measurement of performance; and (c) Secretariat entities had not prepared annual ICT workplans or established targets and monitoring mechanisms that would allow the Secretariat to ensure that departmental business plans were aligned with the ICT strategy and that the strategy was being implemented in compliance with General Assembly resolution 69/262.²

12. With regard to ICT policies, procedures and compliance (see A/72/151, paras. 34–40), the Board noted delays in the revision and promulgation of policies in several key areas, including information security, disaster recovery, cloud computing,³ minimum security for websites, videoconferencing, mobile devices, email services and remote access systems, as well as in the implementation of the system that had been put in place to review, monitor and ensure compliance with ICT policies across all departments and duty stations.

13. **The Advisory Committee reiterates that all Secretariat departments and entities must fully comply with the ICT strategy of the United Nations, as endorsed by the General Assembly, and all provisions of the Secretary-General's bulletin on the organization of the Office of Information and Communications Technology. The Committee further emphasizes the importance of ensuring that budgets and projects from all funding sources for all ICT initiatives and operations of the Secretariat are reviewed by the Office of Information and Communications Technology within existing governance structures before their submission to the Office of Programme Planning, Budget and Accounts. The Committee also recommends that the Assembly request the Secretary-General to provide, in his next progress report, a detailed update on progress achieved in ensuring Secretariat-wide compliance with the provisions of the Secretary-General's bulletin, including implementation of the related recommendations of the Board (see A/71/785, para. 9; and A/72/151, paras. 21 and 40).**

B. Implementation and monitoring of strategic information and communications technology projects

14. The Advisory Committee recalls that the ICT strategy is being implemented through 20 strategic ICT projects, as reported in the first progress report of the Secretary-General (see A/70/364 and A/70/364/Corr.1, annex I). Annex II to the third progress report of the Secretary-General provides an update on the status of implementation of the projects: 7 of the 20 projects were reported in the second progress report (A/71/400) as having been completed, and five additional projects are now reported as having been completed during the reporting period, with eight projects in progress. In his latest progress report, the Secretary-General further states that the Enterprise Project Management Office continues to monitor project implementation, and any changes to the projects are subject to review and approval by the project management board. Details on the modifications made to the projects are provided in annex II, section B, of the third progress report.

15. In its report, the Board of Auditors noted that the scope of the projects was modified in 10 of the 20 projects, and that, taking into account the revised timelines presented in the first progress report of the Secretary-General, six projects had been delayed beyond their expected completion dates. In addition, three projects, expected to be completed by March 2017, had achieved only a 65 to 70 per cent completion

² See also General Assembly resolutions 70/248 A, 65/259, 64/243 and 63/262, as well as A/62/793, A/62/793/Corr.1, A/62/793/Add.1, A/63/487, A/63/487/Corr.1 and A/63/487/Corr.2.

³ The practice of using a network of remote servers hosted on the Internet, rather than a local server or a personal computer, to store, manage and process data. The Advisory Committee was informed that the cloud computing policy had been endorsed in 2017 and revised in 2018.

rate. The Board of Auditors recommended that the Office of Information and Communications Technology not only track the project timelines closely but also monitor the cost of each of the strategic projects to ensure transparency and accountability for the substantial investments made by Member States. **The Advisory Committee regrets that the pace of the implementation of the ICT strategy decreased during the reporting period and stresses the need for a full and timely implementation of the ICT strategy. The Committee trusts that Secretary-General will include in his next report information on the costs of the eight strategic ICT projects that remain to be implemented.**

C. Modernization and transformation: update on key initiatives under phase one of the strategy

Enterprise support: Umoja

16. The report of the Secretary-General indicates that the management of the core infrastructure of the enterprise resource planning system, Umoja,⁴ has been outsourced to a commercial vendor, with the access layer being administered through the Enterprise Data Centres located in Valencia, Spain, and Brindisi, Italy. **The Advisory Committee trusts that the Secretary-General will provide further information in his next report regarding the measures taken to ensure the protection and confidentiality of the data contained in the Umoja system (see paras. 17–21 below). The Committee reiterates that any direct project costs must be charged to the Umoja project budget and not to the budget of the Office of Information and Communications Technology.**

Information security

17. With regard to activities completed during the third year of the implementation of the ICT strategy, the report of the Secretary-General indicates that: (a) the 10-point ICT security action plan to strengthen information security across the Secretariat was implemented and transitioned to maintenance mode in 2017, resulting in more secure enterprise systems and applications in the Secretariat; (b) the Chief Information Technology Officer has led efforts to coordinate and promote the development of shared capacity to address cybersecurity threats directed at United Nations organizations, including the development of a shared threat intelligence platform, which allows participating organizations to share cybersecurity intelligence; and (c) as part of its risk mitigation activities, the Office continues its monitoring of the completion rate of the mandatory information security awareness training course and increased security threat communications (see A/72/755 Rev.1, para. 8 (h) and table 1).

18. Further details on information security and disaster recovery, including on planned activities, are provided in paragraphs 25–34 of the report of the Secretary-General. It is indicated that the threat level facing the United Nations has grown significantly since the endorsement of the ICT strategy. Furthermore, as a result of the continued lack of harmonization of ICT systems, services, programmes and resources, as well as insufficient ICT security capacity, the ICT landscape remains highly fragmented and is at a high risk of being attacked. The report states that in response to the evolving threats, a longer-term strategic road map for information security has been developed that would, inter alia: (a) build on and expand the scope of the initiatives of the 10-point action plan; (b) transform those initiatives into ongoing programmatic activities; (c) expand the objectives beyond addressing common deficiencies; and (d) institute accountability for recognizing the central role

⁴ Umoja signifies “unity” in Swahili.

of the Chief Information Technology Officer as outlined in ST/SGB/2016/11, thereby ensuring compliance within the delegation of authority framework.

19. The report of the Secretary-General states that risk management has been strengthened to include an assessment of the assets to be protected, the possible threats to those assets and the consequences of such threats should they materialize. The report further states that the multiple systems used for buildings management, conference management and physical security are exposed to the same information security threats and are therefore now included in the information security risk assessment. The report of the Secretary-General highlights the cross-cutting nature of the information security programme and points out that increased susceptibility to information security risk will remain if ICT within the Organization remains fragmented, with a lack of harmonization and consolidation of applications, data centre support structures and operational activities.

20. With regard to information security governance issues, the report of the Secretary-General indicates that the Global Security and Architecture Section in the Global Services Division of the Office of Information and Communications Technology is responsible for the oversight and coordination of all information security activities within the Secretariat, and that information security management and security operations activities at the regional and local levels have been delegated to the Regional Technology Centres, and to the Department of Field Support for field missions. The report highlights the importance of transparency and information-sharing in managing information security activities: given the enterprise nature and interconnectedness of the Organization's networks and applications, security risks, incidents or breaches that occur in any Secretariat entity or location can have an impact on other parts of the Secretariat. The report also indicates that, pursuant to General Assembly resolution 72/261, four additional P-4 posts to strengthen information security have been established in the Regional Technology Centres in New York, Bangkok, Nairobi and Geneva.

21. **While welcoming the implementation of the above-mentioned 10-point information security action plan and the establishment of a longer-term information security road map to address the evolving security threats, the Advisory Committee is concerned by the slow progress in reducing the fragmentation of the ICT landscape of the United Nations, and the resulting increase in the threat level facing the Secretariat (see paras. 26–27 below). The Committee recommends that the General Assembly request the Secretary-General: (a) to establish Secretariat-wide central control over information security under the authority of the Chief Information Technology Officer and to ensure that the provisions of its resolution 69/262, as well as of the Secretary-General's Bulletin on the Office of Information and Communications Technology, are fully complied with; and (b) to establish and enforce clear delegation of authority and accountability mechanisms for all aspects of information security management, including specific performance measures in the senior managers' compacts that would allow assessment of their performance in managing these critical activities.**

Defragmentation and consolidation of information and communications technology resources

22. The Advisory Committee recalls that, in its resolution 69/262, the General Assembly acknowledged that the lack of effective governance and leadership in the area of ICT had resulted in a high level of duplication and fragmentation of ICT functions within the Secretariat, and requested the Secretary-General to continue his efforts to reduce such fragmentation at all duty stations and field missions. In its resolution 71/272 B, the Assembly requested the Secretary-General to pursue the

further consolidation and integration of ICT services of the Secretariat in accordance with the ICT strategy.

23. In this regard, the Advisory Committee further recalls that, in his previous report (A/71/400), the Secretary-General indicated that, during 2015 and 2016, the Broadcast and Conference Support Section (formerly of the Office of Central Support Services) and part of the Human Resources Information Systems Section (in the Office of Human Resources Management) and the Financial Information Operations Service (in the Office of Programme Planning, Budget and Accounts) had been integrated into the Office of Information and Communications Technology, and that further consolidation efforts were ongoing with respect to the ICT functions of the Department of General Assembly and Conference Management, the Department of Safety and Security and the remaining offices in the Department of Management. In his current report, the Secretary-General states that in 2018–2019 the Office of Information and Communications Technology will continue its efforts to consolidate and harmonize the ICT environment across the Secretariat and at all duty stations and field missions, including the transfer of seven posts and associated non-post resources from the Crisis Management Information Support Section of the Department of Safety and Security.

24. Upon enquiry, the Advisory Committee was informed that the plans of the Secretariat to further reduce fragmentation included: (a) continued harmonization of applications, websites and service desks; (b) further harmonization of data centres and server rooms by leveraging the Enterprise Data Centres in Brindisi and Valencia; (c) increasing global sourcing; and (d) more rigorous application of strengthened ICT governance, policies, standards and architecture frameworks. The Committee was further informed that, if endorsed by the General Assembly, the proposed reorganization of the Office of Information and Communications Technology through the consolidation of the Information and Communications Technology Division of the Department of Field Support within the existing Office of Information and Communications Technology of the Department of Management would further reduce fragmentation and result in a more coherent and capable ICT organization (see paras. 3–4 above).

25. In its report, the Board of Auditors observed that, notwithstanding the issuance of an inter-office memorandum by the Chef de Cabinet in February 2016 seeking support and cooperation from the departments and heads of offices, progress in defragmentation and consolidation of ICT resources had been slow, with only 3 of 70 ICT units across the Secretariat having been consolidated as of January 2017, and that even the ICT units within the Department of Management had not yet been consolidated.

26. **The Advisory Committee is deeply concerned about the lack of progress made during the reporting period in the consolidation of ICT resources. The Committee reiterates that the cooperation of managers is critical for the successful implementation of the ICT strategy, and it expects them to cooperate and collaborate with the Chief Information Technology Officer in implementing defragmentation and consolidation of ICT capacities, which is one of the key objectives of the ICT strategy. The Committee further trusts that the Secretary-General will exercise strong leadership to ensure full compliance by all departments and entities of the Secretariat with the provisions of section II of General Assembly resolution 69/262, in which the Assembly requested the Secretary-General, inter alia, to ensure that all Secretariat entities report to the Chief Information Technology Officer on all issues relating to ICT activities, resource management, standards, security, architecture, policies and guidance (see A/71/785, para. 33). The Committee recommends that the Assembly request the Secretary-General to take special measures to implement that resolution.**

Enterprise Applications Centres and application management

27. Information on the Enterprise Applications Centres and application management is provided in paragraphs 8 (b) and 35 to 50 of the report of the Secretary-General. The report indicates that the Centres are responsible for the development of enterprise solutions, which will increasingly replace multiple legacy systems. The number of legacy applications was reduced from 2,340 in 2014 to 1,220 in 2017 through the consolidation of functions under enterprise systems such as iNeed, Umoja and Inspira, and the decommissioning and retirement of obsolete systems. In addition, the Unite Mail project is accelerating the migration or retirement of legacy IBM Notes applications. The report indicates that the number of United Nations applications will be reduced to 1,000 by the end of 2020 (see A/72/755/Rev.1, annex II.C). Upon enquiry, the Advisory Committee was informed that the Secretariat aimed to reduce the total number of legacy systems to 300.

28. The report of the Secretary-General further states that the Enterprise Application Centres have undertaken a study to address the issue of the proliferation of applications and to provide a strategy to manage the Secretariat portfolio of applications. It is indicated that the study recognizes the need to provide software solutions on secure platforms to support implementation of substantive mandates, and that it is based on the use of cloud-based and "app-store"⁵ technologies (ibid. para. 37). The report of the Secretary-General indicates that the next progress report is expected to include information on the outcome of the above-mentioned study, along with proposals for a new approach for managing a portfolio of applications. **The Advisory Committee looks forward to receiving further information and proposals on the application management strategy. The Committee is of the view that such a strategy should be based on clear Secretariat-wide application development policies and guidelines that clarify, inter alia, the functions and areas that are to be covered centrally by the Enterprise Application Centres and those which can be addressed at the local level.**

Application security and disaster recovery

29. The report of the Secretary-General indicates that the Office of Information and Communications Technology has taken a firm stance against technology and data services that are not compliant with information security standards. Upon enquiry as to how compliance with information security standards was vetted and assured, the Advisory Committee was informed that the Office did not have the capacity to vet all ICT assets: while new systems, websites and infrastructure were vetted prior to implementation, and the information security of large enterprise systems such as Umoja, Inspira and iNeed was continually assessed based on evolving threats, legacy ICT assets comprising systems, websites and infrastructure implemented by offices and departments were assessed by local ICT offices and certified for compliance. The Committee was further informed that a systems contract had been made available to all offices and departments for such assessments of legacy systems and websites. Nevertheless, given the significant number of ICT systems and websites implemented over the past two decades outside of any formal ICT governance and standardization process, compliance of all ICT assets in the United Nations with information security standards was not assured. In its report, the Board of Auditors observed that most of the approximately 1,300 websites maintained across the Organization lacked standardization and were not in compliance with ICT policies on public websites, exposing the entire network to serious security risks.

⁵ "App store" refers to an online platform for the electronic distribution of software applications ("apps"), often in a mobile context, such as the Apple App Store, Google Play and the Microsoft Store.

30. The previous report of the Secretary-General indicated that the number of critical systems requiring disaster recovery plans had been reduced from 171 to 24, and that disaster recovery capabilities had been implemented for 60 per cent of those systems. The Secretary-General also indicated that establishing disaster recovery capabilities for large-scale enterprise systems was resource intensive and would require further investment (see A/71/400, para. 21). In its report, the Board of Auditors observed that the list of 24 critical systems did not include 17 "mission critical" applications relating to the Department of Field Support or 40 legacy systems that had not yet been consolidated. The Board was of the view that, until the applications had been consolidated, they remained critical and the status of replacement of such applications needed to be closely monitored.

31. **The Advisory Committee is concerned by the large number of legacy applications, systems and websites that continue to present information security risks. The Committee notes the statement of the Secretary-General that migration to centrally hosted, global, standardized enterprise solutions systems is the primary means to defragment the legacy application landscape and reduce the number of legacy systems, which also results in greater economies of scale and improved security and reliability. The Committee recommends that the General Assembly request the Secretary-General to provide in his next report a detailed update on the status of the remaining legacy systems, as well as a plan for accelerating the standardization and consolidation of legacy systems and websites. The Committee further recommends that the Assembly request the Secretary-General to secure the full cooperation and collaboration of all Secretariat entities in support of this effort.**

Hosting and connectivity: Enterprise Data Centres

32. With regard to the hosting of applications, the report of the Secretary-General states that the Office of Information and Communications Technology and the Department of Field Support have endorsed the adoption of cloud-based services based on a hybrid and multi-cloud approach. This would involve an on-premise, private cloud to host sensitive and critical applications and systems, and third-party, public cloud technologies for less sensitive systems. The report indicates that the cloud-based approach will enable better responsiveness to business demands and scalability, reduce risks related to infrastructure and compliance, and reduce future expenditure and capital requirements (see A/72/755 Rev.1, para. 57). **The Advisory Committee notes the adoption of a cloud-based approach for the hosting of applications at the United Nations. The Committee stresses the need for assurances regarding the protection and confidentiality of the Organization's data, and trusts that further information on this matter will be included in the next progress report (see paras. 17–21 above).**

D. Innovation: a digital agenda for the United Nations (phase two of the strategy)

33. Information on the initiatives under way in relation to the digital agenda is provided in paragraphs 69 to 85 of the report of the Secretary-General. The report states that phase two of the ICT strategy is focused on facilitating the core work of the United Nations in the areas of peace and security, human rights, the rule of law, social and economic development and humanitarian affairs. The report further states that, pursuant to General Assembly resolution 69/262, in which the Assembly decided that the Chief Information Technology Officer should lead all ICT activities in the Secretariat, it is essential that ICT programmes supporting substantive work also become more harmonized. The report notes that, while the growth of the Internet and

increased connectivity worldwide offer opportunities to use technology and data in support of mandate implementation, those opportunities also represent a significant threat to the Organization, and require a holistic approach to cyber and physical security. **The Advisory Committee trusts that the next progress report will provide further information on the management of ICT solutions supporting the substantive work of the Organization.**

E. Optimization: global sourcing and global asset management

Global sourcing

34. Information on global sourcing is provided in paragraphs 86 to 88 of the report of the Secretary-General. The report indicates that, as part of the efforts to optimize, rationalize and harmonize ICT resource infrastructure and services across the ICT offices of the Secretariat, new global system contracts administered by the Operations Coordination Section of the Office of Information and Communications Technology have been established for: information technology equipment; voice, data and hosting cloud services; and enterprise software development and applications services accessible by multiple users in multiple locations across the Secretariat. The report further indicates that efforts towards global sourcing and contracts management continued during the third year of implementation, in a collaboration between the Office of Information and Communications Technology, the Information and Communications Technology Division of the Department of Field Support, other Secretariat offices and the Procurement Division. In this regard, it is indicated that a systems contract for the provision of geospatial service was awarded in 2016 and that additional systems contracts are currently being established for: (a) the provision of fully managed services such as email, storage, satellite network management and service desk; task order services; and integrated workforce services; (b) an application service global system contract for the provision of services through three delivery models, namely integrated workforce services, a retainer agreement and task orders; and (c) cloud computing services (see para. 33 above). **The Advisory Committee recommends that the General Assembly request the Secretary-General to provide in his next report further analysis and comparisons of the cost savings and economies of scale achieved for the equipment and services procured through systems contracts.**

Global asset management

35. The report of the Secretary-General indicates that the Office of Information and Communications Technology and the Department of Field Support undertook a review of assets and acquisitions in May and June 2016 in order to improve the visibility of both tangible and intangible assets. The report indicates that a central repository of all ICT assets is maintained in Umoja, including software licences, which are registered in Umoja as intangible assets. In addition, the Office of Information and Communications Technology and the Office of Programme Planning, Budget and Accounts are working together to establish a standard procedure for the identification and capitalization of intangible assets resulting from software development. The report states that all United Nations ICT assets are monitored and controlled throughout the life cycle of each item, from receipt to disposal, and that appropriate levels of authority for the management of physical and intangible assets are delegated by the Chief Information Technology Officer to the Regional Technology Centres. The report also provides some details on the overall inventory of ICT assets in peacekeeping operations. **The Advisory Committee trusts that the next progress report will provide further information on the oversight exercised by the Chief Information Technology Officer with regard to the acquisition and**

management of ICT assets (see paras. 10 and 13 above), as well as a more detailed analysis of the asset holdings, and their acquisition and disposal, including by type of asset.

F. Overview of financial resources

36. The report of the Secretary-General indicates that total ICT resources for 2018–2019 amount to \$1,376.4 million, comprising \$392.5 million under the regular budget, \$54.5 million under the support account, \$747.9 million under peacekeeping missions and \$181.5 million in extrabudgetary resources. In addition, the total resources approved for Umoja for 2018–2019 amount to \$77.6 million, reflecting a decrease of \$21.4 million compared with the resources provided in 2016–2017 (\$99.0 million). The report further states that, overall, the United Nations will allocate 3.6 per cent of its resources to ICT programmes and activities during 2018–2019. This reflects 7.3 per cent under the regular budget; 9.1 per cent under the support account; 5.8 per cent for peacekeeping missions; and 0.9 per cent under extrabudgetary resources (see A/72/755/Rev.1, paras 98–102 and annex I). **The Advisory Committee recommends that the General Assembly request the Secretary-General to further refine his analysis and include more detailed information on financial resources in future reports so as to improve transparency on the use of resources. The Committee trusts that, in addition to data by funding source, further analysis and breakdown of overall ICT expenditure by category of expenditure and purpose will be provided in the next progress report.**

G. Inventory of information and communications technology capacities

37. The Advisory Committee continues to believe that there is a need to establish a baseline for the determination of ICT capacities across the Secretariat. Accordingly, the Committee has requested the Board of Auditors to conduct a comprehensive inventory of ICT capacities (see para. 38 below) and expenditures (such as posts, temporary assistance, contractors, consultants, services provided in-house, outsourced services, acquisition of hardware and maintenance costs) across the Secretariat to serve as a baseline of the current situation, from which to measure future progress and trends.

38. Furthermore, given the magnitude of resources expended on ICT annually, the Advisory Committee recommends that the General Assembly request the Secretary-General to include in the budget and budget performance documents of each Secretariat entity information on its ICT expenditures and capacities, with details on elements such as ICT personnel (staff, individual contractors and contractual personnel), asset holdings (tangible and non-tangible), acquisition of goods and services, and ongoing and planned ICT projects and initiatives.

V. Conclusions and recommendations

39. The action to be taken by the General Assembly is set out in paragraph 110 of the report of the Secretary-General. **The Advisory Committee recommends that the General Assembly take note of the status of ongoing implementation of the ICT strategy, subject to the observations and recommendations of the Committee contained in the present report.**